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Required Report - public distribution

Date: 7/17/2014

GAIN Report Number: UP1422

Ukraine

Post:

Kiev

Grain and Feed Update

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Report Highlights:

The summer grain harvest is advancing at full speed in Ukraine with about 50 percent of the total barley area harvested and about 40 percent of wheat. Production of major grains is expected to be quite high. Average crop yields are showing good results even though adverse weather in Central and Western Ukraine had some negative effects on the overall production. Grain exports in the new marketing year are starting off well. The Government and the industry have reached an agreement on the terms of trade for the new season.

The harvest of grains and oilseeds was going full speed in Ukraine at the beginning of July 2014. By the time of this report writing, all agricultural production regions in Ukraine have engaged in harvesting winter and early spring crops. Harvest in eastern Ukraine is somewhat difficult due to military operations in the region. Also, harvest and planting data presented in this report does not include statistics for the territory of Crimea because this data was not available.

Production

As of July 14, 2014 of the main agricultural crops grown in Ukraine, about 7.6 million metric tons (MMT) of wheat was harvested, a little over 4.3 MMT of barley, 13,000 MT of rye, as well as almost 0.9 MMT of rapeseed. At the same time corn, sunflower and soybeans were developing well and receiving plenty of moisture from regular rains.

Table 1. Production of Grains in Ukraine, as of July 14, 2014 *

Crop	Area Harvested, 1000 ha	Production, 1000 MT	Yield, MT/ha	Percent Harvest Complete, %
Barley	1560.0	4320.0	2.8	50.8
Rye	6.0	13.0	2.2	3.2
Wheat	2380.0	7640.0	3.2	38.7

Source: Ministry of Agrarian Policy and Food of Ukraine

* - Preliminary harvest data, does not include data for the temporarily occupied territory of Crimea

Table 2. Area Planted Under Agricultural Crops in Ukraine for Harvest 2014, Reported as of July 15 *

Crop	Area Planted, 1,000 ha				Change, 2014 to 2013	
	2014	%	2013	%	Area, 1,000 ha	%
Wheat (spring and winter crop)	6,144.5	22.5	6418.8	23.4	-274.3	95.7
Barley (spring and winter crop)	3,073.1	11.3	3167.2	11.5	-94.1	97.0
Corn	4,714.6	17.3	4883.1	17.8	-168.5	96.5
Rye	188.0	0.7	284	1.0	-96.0	66.2
Oats	250.0	0.9	243.2	0.9	6.8	102.8
Sorghum	90.9	0.3	137.6	0.5	-46.7	66.1
Buckwheat	137.3	0.5	189.2	0.7	-51.9	72.6
Other grains and legumes	344.3	1.3	356.5	1.3	-12.2	96.6
Sub-total grains and legumes	14,942.7	54.8	15,679.6	57.2	-736.9	95.3
Sugar Beets	333.3	1.2	279.8	1.0	53.5	119.1
Sunflower	5,149.2	18.9	4970	18.1	179.2	103.6
Soybeans	1,803.0	6.6	1356.7	4.9	446.3	132.9
Rapeseed (adjusted for winterkill)	881.4	3.2	1008.9	3.7	-127.5	87.4
Other crops (fodder, vegetables, etc.)	4,148.6	15.2	4133.1	15.1	15.5	100.4
Total	27,258.2	100.0	27,428.1	100.0	-169.9	99.4

Source: State Statistics Committee of Ukraine

* Does not include data for the temporarily occupied territory of Crimea

Favorable winter and early spring weather resulted in strong crop development while late spring rains delivered the needed moisture to the plains. The crops were set to deliver high yields. However, in Central and Western Ukraine the quantity and frequency of rain at the end of the spring season was rated by Hydrometcenter of Ukraine well above normal. Observed excessive moisture and quite warm temperatures starting in late May resulted in development of various diseases in wheat, barley and rye. Producers would have had to apply plant protection chemicals to save the crop from yield deterioration. However, some were not expected to invest a lot into agricultural chemicals this season due to the overall economic hardship in the country observed in 2014.

Prices for agricultural inputs in Ukraine this season have increased significantly since most are usually imported or produced with the use of imported materials. The Ukrainian currency (Hryvnia) has devalued over 40 percent between December 2013 and April 2014. A large share of medium and smaller size agribusinesses as well as some larger companies in Ukraine would have experienced some sort of financial difficulties since the beginning of 2014. Local producers were reporting reduced levels of chemical application and switching to cheaper products while adjusting production technology to minimize costs.

In addition, continued frequent and sometimes excessive rains in June and in the beginning of July, especially in Central and in Western Ukraine, resulted in crop lodging in wheat, barley, and rye. This was observed in the fields while the plants were still filling the kernels, and may result in lower yields. Besides, harvesting of plants off of the ground requires special machinery features that may not be available to all farmers. Thus, some losses to potentially high yields are anticipated.

Corn, sunflower, and soybeans grown in Central, Eastern, and in Western Ukraine have benefited from frequent rains. So far production of these crops is projected to be above average. However, weather conditions in late July and in August are an important factor in the end result. Excessive heat and dryness during that period of time usually resulted in reduced yields in these crops in Ukraine.

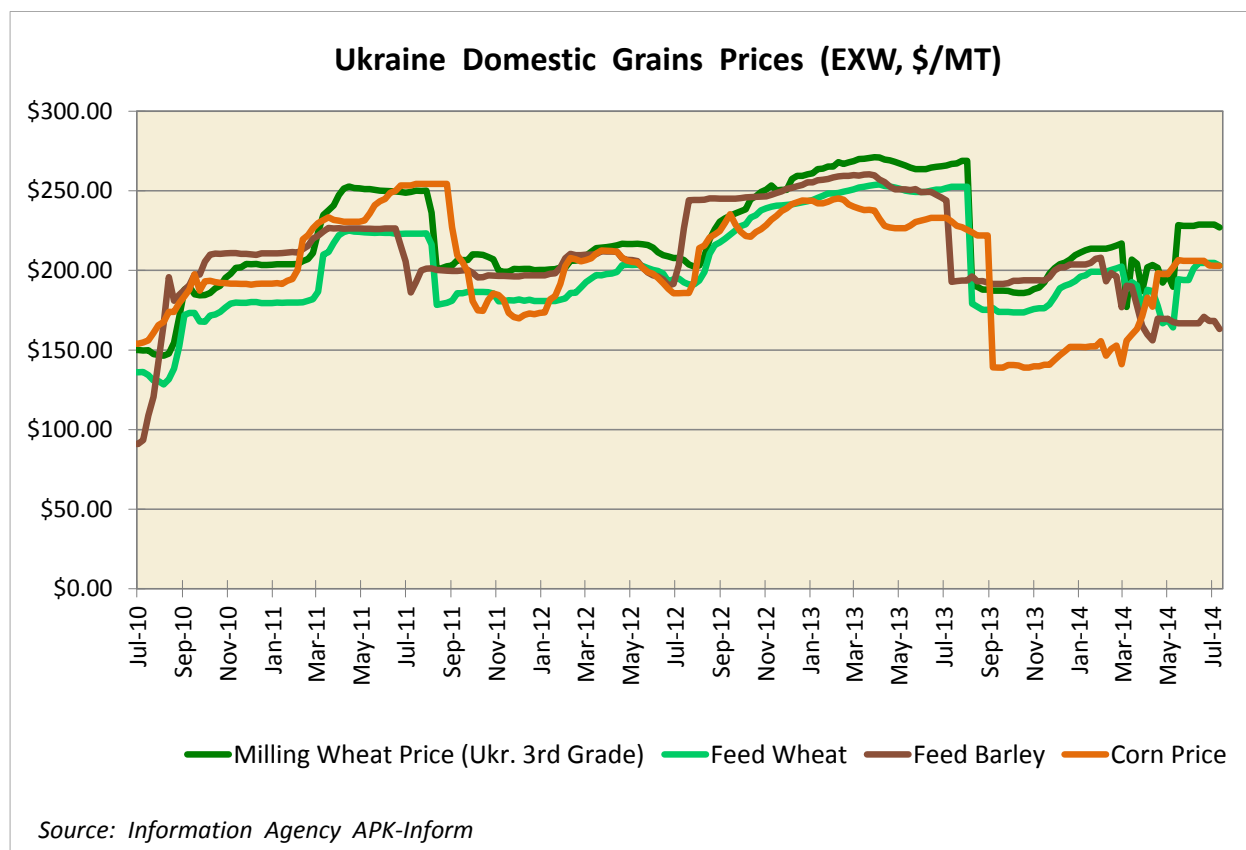
Trade

The new crop Marketing Year (MY) 2014/15 for wheat, barley, and rye has begun in Ukraine on July 1st, 2014. During 1-15 July, 2014, exports were reported for wheat at 111,000 MT and about 293,000 MT for barley. Also, almost 260,000 MT of corn was exported from Ukraine during the same period of time.

The previous season has ended with good trade results. According to the preliminary crop year-end data reported by the Ministry of Agrarian Policy and Food of Ukraine (MinAg), in MY 2013/14 (July 2013 – June 2014) Ukraine exported 9.4 MMT of wheat and 2.5 MMT of barley. In addition to that, between October 2013 and June 2014 Ukraine has exported about 19.4 MMT of corn (see statistical tables in the end of this report for details).

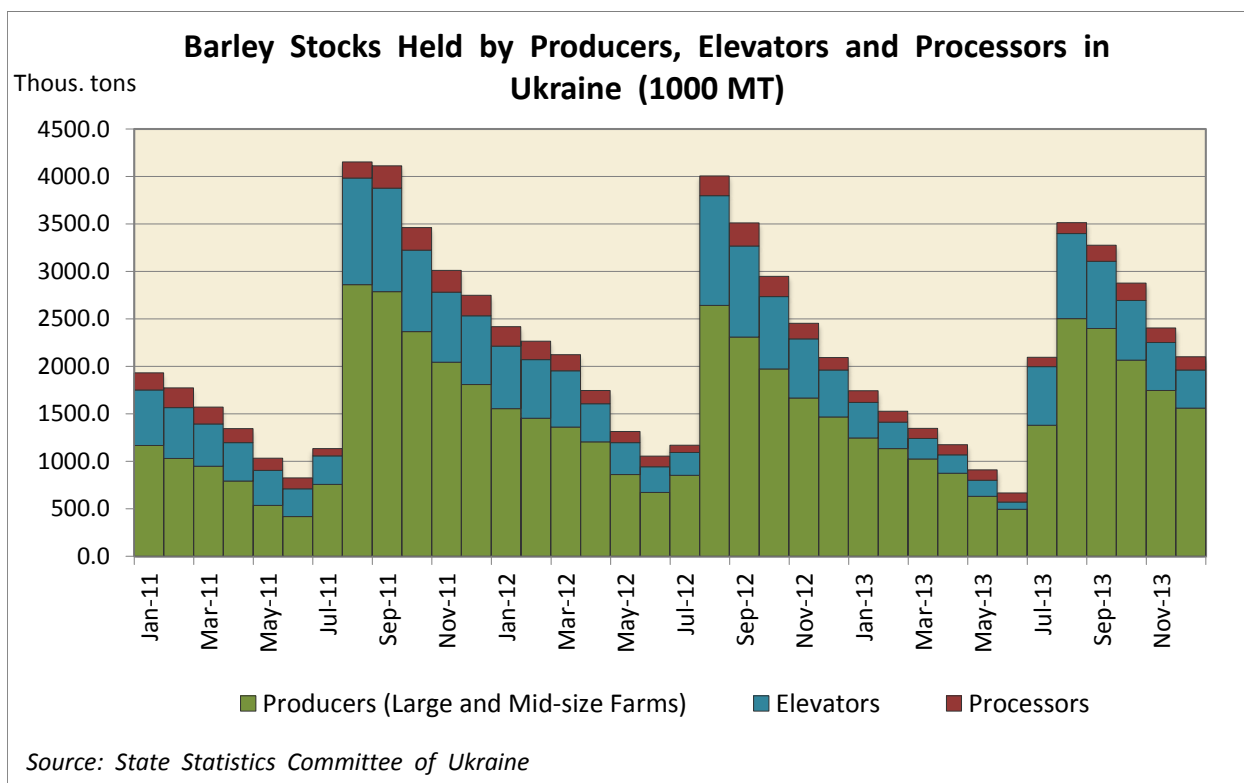
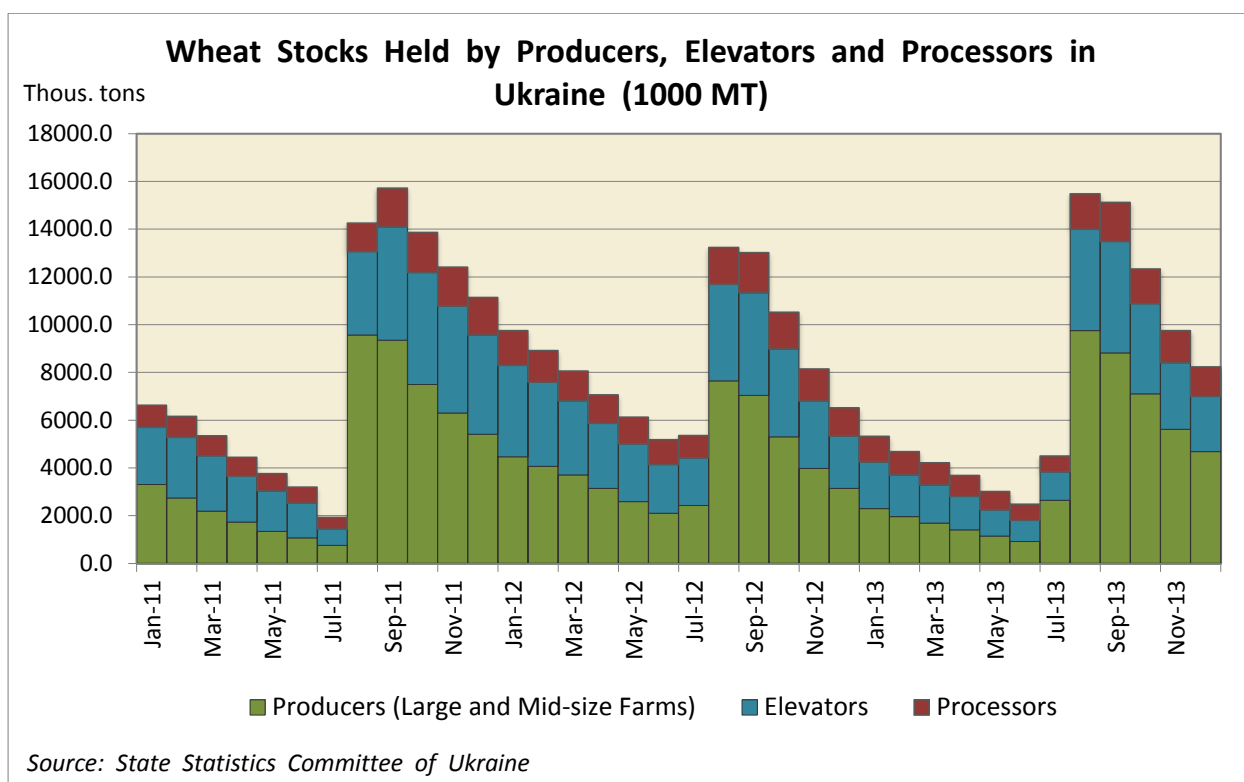
Domestic wheat and barley prices in June 2014 remained relatively unchanged and followed the usual downward tendency with the new harvest arrival (see graph below). Corn prices have somewhat increased over the last several months due to tightening of domestic stocks and strong export demand. Some adjustments for the currency exchange rate fluctuations in spring 2014 were observed in the domestic grain prices at the time. Grain prices are not expected to increase

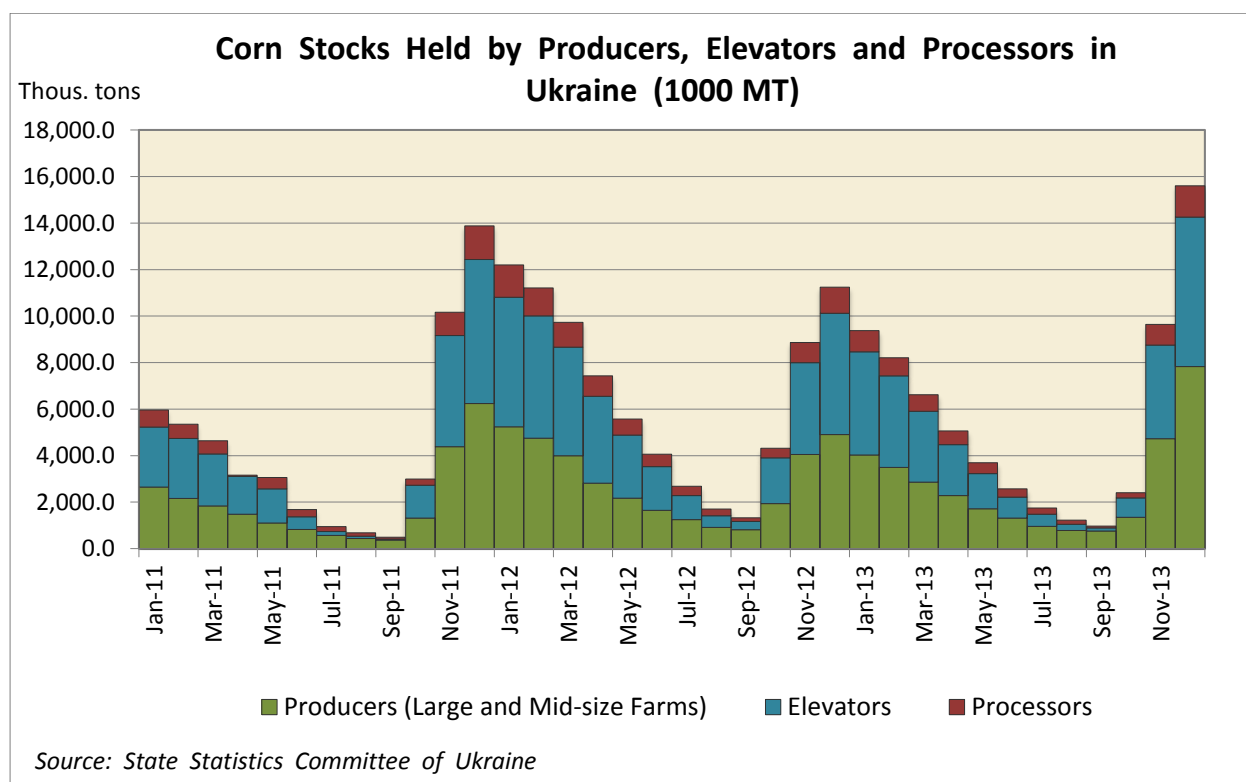
much in the coming months in Ukraine since there is expected to have plenty of grain produced and available for domestic consumption and for exports.



Stocks

Crop stocks for wheat and barley at the end of MY 2013/14 were similar to the levels of the preceding year. Corn stocks were on average higher this season compared to the previous year due to larger (record) production in 2013 (see graphs that follow).





Policy

The new leadership of MinAg and the industry have agreed on the terms of trade for MY 2014/15 and were about to sign a new Memorandum of Understanding at the time of this report writing. It is anticipated that the new season trade terms would be similar to the agreements reached in the preceding year.

Projected large production of grains in Ukraine in 2014 does not set a scene for trade restrictions in MY 2014/15. However, military operations in Ukraine may disrupt usual business operations in agriculture sector in the affected areas.

The State Grain and Food Corporation (government run agricultural commodity procurement and trading enterprise) has been making some forward purchases of grains from producers. The enterprise is expected to continue conducting corn trade with China in the current and in the upcoming season per contract signed in 2013. In MY 2013/14, between October 2013 and April 2014, corn exports from Ukraine to China have reached three hundred fifty thousand tons.

Wheat Export Statistics by Month and Destination, Ukraine, 1000 MT (HS Code 1001)

Destination	Subtotal Jul.2012 - Apr.2013	MY 2012/13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	Subtotal Jul.2013 - Apr.2014	% Change Jul.2013- Apr.2014 to Jul.2012- Apr.2013	% Share Jul.2013 - Apr.2014 to MY 2012/13
World	6,593.1	6,886.1	260.3	1,297.4	1,931.1	1,731.2	801.2	792.3	188.1	448.6	314.2	592.5	8,356.9	126.75	121.36
Egypt	1,542.9	1,646.4	5.0	221.9	434.3	641.3	191.3	358.1	86.0	152.5	11.7	216.9	2,318.9	150.29	140.85
South Africa	271.3	271.3	42.7	132.4	152.4	40.5	49.5	40.8	0.0	0.0	0.0	0.0	458.3	168.95	168.95
Jordan	351.1	351.1	0.0	0.0	60.4	71.5	5.0	47.5	0.0	95.0	85.7	66.8	431.8	122.98	122.98
Kenya	270.0	306.0	57.5	89.7	122.8	60.9	49.7	0.0	0.0	0.0	42.9	0.0	423.6	156.86	138.41
Thailand	7.6	7.6	2.5	85.1	231.5	63.8	1.4	0.6	1.2	0.0	0.0	0.0	386.2	5101.61	5101.61
Indonesia	31.5	31.5	1.1	53.0	112.9	46.6	49.2	8.9	52.2	52.2	0.0	0.0	376.2	1192.44	1192.44
Libya	372.4	376.4	25.3	48.8	38.7	36.6	27.1	75.7	12.1	28.3	54.8	16.1	363.5	97.62	96.57
Israel	350.7	350.7	24.9	106.8	58.1	41.3	38.4	29.1	23.7	5.4	10.0	15.5	353.2	100.70	100.70
Bangladesh	0.0	0.0	0.0	204.6	25.4	66.1	25.5	23.3	0.0	0.0	0.0	0.0	345.0	∞	∞
Syria	319.9	419.5	49.4	50.6	79.9	14.7	27.5	43.7	0.0	0.0	52.1	0.0	317.9	99.37	75.77
Japan	0.0	0.0	0.0	62.6	95.3	108.6	0.5	0.0	0.0	0.0	0.0	0.0	267.0	∞	∞
Tunisia	423.2	450.6	8.8	0.0	0.0	49.2	104.6	22.5	0.0	0.0	3.1	70.6	258.8	61.14	57.42
Philippines	0.5	0.5	2.3	40.5	128.9	17.4	46.8	0.0	0.0	0.0	0.0	0.0	235.8	51376.03	51376.03
Morocco	795.7	795.7	15.7	20.8	0.0	17.8	9.7	0.0	0.0	0.0	26.6	143.1	233.7	29.37	29.37
Korea South	101.8	101.8	0.0	24.3	59.4	32.3	0.0	0.0	0.0	53.3	0.0	0.0	169.3	166.35	166.35
Pakistan	0.0	0.0	0.0	0.1	38.2	126.1	0.0	0.0	0.0	0.0	0.0	0.0	164.4	∞	∞
Djibouti	0.0	0.0	0.0	0.0	0.0	0.0	93.2	40.0	0.0	19.0	0.0	0.0	152.2	∞	∞
Lebanon	112.0	112.0	0.0	19.2	19.3	18.6	16.9	30.3	10.7	0.0	11.0	6.9	133.0	118.74	118.74
Turkey	127.0	130.0	0.0	19.0	33.3	31.6	30.5	6.0	0.0	0.0	0.0	6.0	126.5	99.55	97.26
Ethiopia	0.0	0.0	0.0	0.0	22.5	59.9	0.0	40.5	0.0	0.0	0.0	0.0	122.9	∞	∞
Vietnam	0.0	0.0	0.0	0.0	99.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	99.9	∞	∞
Yemen	101.6	101.6	0.0	42.0	0.0	9.3	0.0	0.0	0.0	42.9	0.0	0.0	94.1	92.63	92.63
Iran	0.0	0.0	0.0	0.0	0.0	55.0	0.0	0.0	0.0	0.0	0.0	0.0	55.0	∞	∞
Sudan	89.8	89.8	0.0	20.7	0.0	31.1	0.0	0.0	0.0	0.0	0.0	0.0	51.8	57.66	57.66
United Arab Emirates	73.8	73.8	9.9	0.0	0.0	0.0	22.9	2.6	0.0	0.0	0.0	0.0	35.4	47.92	47.92
United Kingdom	2.8	2.8	1.4	4.6	4.3	1.7	0.0	7.6	2.1	0.0	5.2	7.6	34.6	1221.78	1221.78
Mexico	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	33.0	33.0	∞	∞
Congo Dem. Rep.	0.0	0.0	0.0	0.0	16.5	14.7	0.0	0.0	0.0	0.0	0.0	0.0	31.2	∞	∞
Uganda	72.9	75.4	2.0	0.0	12.5	13.4	2.5	0.0	0.0	0.0	0.0	0.0	30.4	41.72	40.34
Malaysia	4.8	6.3	4.2	9.1	7.8	1.4	3.0	1.3	0.0	0.0	0.0	1.6	28.5	592.74	454.87
Bahrain	0.0	0.0	0.0	0.0	0.0	27.5	0.0	0.0	0.0	0.0	0.0	0.0	27.5	∞	∞
Netherlands	43.2	43.2	0.0	7.0	3.5	3.6	0.0	3.1	0.0	0.2	2.4	3.1	22.9	53.06	53.03
Malawi	0.0	0.0	0.0	0.0	22.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	22.7	∞	∞
Other	293.1	308.5	7.5	34.6	50.4	18.9	6.1	10.7	0.2	0.0	8.7	5.2	142.2	48.53	46.10

Source: State Customs Committee of Ukraine

Barley Export Statistics by Month and Destination, Ukraine, 1000 MT (HS Code 1003)

Destination	Subtotal Jul.2012 - Apr.2013	MY 2012/13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	Subtotal Jul.2013 - Apr.2014	% Change Jul.2013- Apr.2014 to Jul.2012- Apr.2013	% Share Jul.2013 - Apr.2014 to MY 2012/13
World	2,061.3	2,133.8	493.3	709.4	478.9	183.7	110.6	77.3	92.7	27.6	7.3	107.7	2,288.6	111.03	107.26
Saudi Arabia	1,396.7	1,457.4	333.3	599.2	356.0	72.2	63.7	0.0	46.5	0.0	0.0	58.4	1,529.3	109.50	104.93
Libya	149.7	154.8	18.6	32.1	32.8	21.4	22.8	61.8	21.4	0.3	0.0	0.0	211.2	141.08	136.42
Kuwait	26.1	26.1	74.0	0.0	30.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	104.5	399.69	399.69
Israel	95.5	99.0	5.7	8.8	21.9	13.7	5.3	7.3	16.5	19.9	0.0	1.5	100.5	105.25	101.55
Jordan	132.8	132.8	51.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	47.6	99.0	74.57	74.57
Tunisia	0.0	0.0	0.0	0.0	27.3	51.3	1.2	0.0	0.0	0.0	0.0	0.0	79.8	∞	∞
Japan	0.0	0.0	0.0	39.8	9.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	49.5	∞	∞
Syria	0.0	0.0	0.0	29.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	29.0	∞	∞
United Arab Emirates	6.3	6.3	9.7	0.0	0.0	0.1	17.6	0.3	0.1	0.0	0.0	0.0	27.9	442.19	442.19
Algeria	0.0	0.0	0.0	0.0	0.0	25.1	0.0	0.0	0.0	0.0	0.0	0.0	25.1	∞	∞
Cyprus	0.0	3.2	0.0	0.0	0.0	0.0	0.0	0.0	8.1	7.4	0.0	0.0	15.5	35240.91	480.96
Switzerland	0.1	0.1	0.0	0.0	0.0	0.0	0.0	5.0	0.0	0.0	3.5	0.0	8.5	12896.97	12896.97
China	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.8	0.3	4.1	∞	∞
Lebanon	20.2	20.2	0.0	0.0	0.0	0.0	0.0	2.9	0.0	0.0	0.0	0.0	2.9	14.39	14.39
Korea South	0.0	0.0	0.4	0.0	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.2	∞	∞
Netherlands	0.3	0.3	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	100.69	100.69
Denmark	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	∞	∞
Germany	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	∞	∞
Moldova	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	110.81	110.81
Russia	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	21.18	21.18
Belarus	5.9	5.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.22	0.22
Kazakhstan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	∞	∞
Georgia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	∞	∞
Egypt	32.2	32.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0.00
Greece	2.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0.00
Iran	155.5	155.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0.00
Kyrgyzstan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0.00
Armenia	1.3	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0.00
Turkey	33.7	33.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0.00
United Kingdom	1.5	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0.00
Uzbekistan	1.5	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0.00

Source: State Customs Committee of Ukraine

Corn Export Statistics by Month and Destination, Ukraine, 1000 MT (HS Code 1005)

Destination	Subtotal Oct 2012 - Apr. 2013	MY 2012/13	Oct-13	Nov-13	Dec-13	Jan-13	Feb-13	Mar-13	Apr-13	Subtotal Oct 2013 - Apr. 2014	% Change Oct.2013 - Apr.2014 to Oct.2012 - Apr.2013	% Share Oct.2013- Apr.2014 to MY 2012/13
World	10,491.2	12,725.0	1,304.1	3,263.6	4,062.9	2,505.2	2,510.4	2,715.5	1,395.2	17,756.9	169.3	139.5
Spain	2,220.6	2,466.9	97.4	453.4	713.8	381.1	426.1	377.7	321.9	2,771.5	124.8	112.3
Egypt	1,273.7	1,512.2	291.2	667.2	377.2	196.8	323.4	436.0	128.4	2,420.3	190.0	160.0
Korea South	123.5	123.5	368.2	298.7	638.6	70.7	132.4	240.9	20.8	1,770.3	1,433.4	1,433.4
Netherlands	813.7	1,001.0	54.5	92.2	381.6	244.9	303.1	481.9	18.7	1,576.9	193.8	157.5
Italy	1,172.1	1,321.7	40.4	231.2	225.9	109.9	226.5	216.8	271.6	1,322.3	112.8	100.0
Japan	350.3	350.3	91.9	422.6	446.6	170.8	48.5	40.0	3.0	1,223.5	349.2	349.2
Iran	252.6	923.1	0.0	313.7	341.9	131.5	62.7	66.0	0.0	915.9	362.6	99.2
Portugal	588.2	657.8	0.0	101.0	152.7	235.8	153.2	131.2	63.0	836.9	142.3	127.2
Israel	603.6	834.7	59.1	47.5	98.7	117.5	63.7	155.2	76.1	617.8	102.3	74.0
United Kingdom	164.6	177.5	5.4	70.8	99.0	138.0	104.3	38.7	95.2	551.4	335.0	310.7
Tunisia	143.4	153.9	38.5	50.4	53.9	27.5	137.7	79.2	26.3	413.4	288.3	268.6
Germany	166.9	166.9	0.0	8.9	107.5	121.5	73.5	5.2	83.5	400.1	239.8	239.8
Belgium	317.1	349.5	0.0	37.0	80.0	91.1	27.4	100.0	59.4	394.9	124.5	113.0
China	0.0	0.1	0.0	109.0	2.0	190.4	0.0	50.3	0.0	351.7	∞	423,674.7
Libya	385.4	385.4	32.2	21.0	21.7	33.6	13.9	91.3	73.9	287.7	74.6	74.6
Ireland	336.7	446.0	24.6	22.0	78.4	47.2	84.5	24.1	0.0	280.8	83.4	63.0
Lithuania	88.7	106.1	11.2	43.2	47.5	36.6	48.1	33.1	31.0	250.6	282.6	236.3
Syria	406.5	461.9	51.3	58.7	64.2	0.7	0.0	25.1	43.4	243.4	59.9	52.7
Lebanon	119.6	156.1	16.2	40.7	0.7	7.4	38.8	25.0	27.5	156.2	130.7	100.1
Algeria	71.2	71.2	26.7	0.0	0.0	52.8	54.4	22.0	0.0	156.0	218.9	218.9
Poland	25.8	35.3	8.0	30.7	41.5	41.6	19.9	4.1	2.3	148.1	574.5	419.3
Cuba	0.0	0.0	25.0	25.0	0.0	0.0	51.8	3.0	0.0	104.7	∞	∞
France	73.6	99.9	0.0	0.0	26.1	0.0	27.0	2.8	28.9	84.8	115.2	84.9
South Africa	0.0	0.0	0.0	0.0	0.0	0.0	41.5	36.2	2.3	80.0	∞	∞
Morocco	0.0	0.0	26.3	0.0	0.0	26.9	25.7	0.0	0.0	78.9	∞	∞
Malaysia	0.0	0.0	1.7	67.0	1.6	0.0	1.1	0.0	0.0	71.5	∞	∞
Belarus	60.9	70.7	5.9	10.8	11.0	14.4	12.0	6.1	5.9	66.2	108.6	93.6
Taiwan	2.1	4.1	22.8	5.8	31.1	1.1	0.0	0.0	0.0	60.9	2,844.8	1,488.2
Latvia	9.1	10.6	1.5	4.9	6.9	5.1	1.3	3.1	1.9	24.7	271.5	233.1
Cyprus	41.8	55.9	0.0	0.0	0.0	7.9	3.2	3.0	9.1	23.3	55.7	41.6
Georgia	12.1	16.5	1.5	7.5	0.0	1.0	0.0	0.0	0.0	10.0	82.7	60.7
Other	667.2	766.1	2.6	22.6	12.8	1.3	4.7	17.3	1.1	62.4	9.4	8.1

Source: State Customs Committee of Ukraine

